

LOUISIANA SHRIMP TASK FORCE

MINUTES

March 23, 2010

DRAFT

ROBERT BARHAM  
CHAIRMAN

LOUISIANA ROOM  
LOUISIANA DEPARTMENT OF WILDLIFE & FISHERIES  
2000 QUAIL DRIVE  
BATON ROUGE, LOUISIANA

## AGENDA

- I. Call to order
- II. Roll Call
- III. Approval of January 27, 2010 Minutes
- IV. Call-in from Senator Vitter's D.C. Office
- V. Remarks from Wes Kungel, representing Senator Landrieu
- VI. Remarks on Tripoly, Ronnie Anderson
- VII. Report on Cooperatives, Matthew Freeman, La SeaGrant
- VIII. Update on Shrimp Harvester Panel Meeting
- IX. Review of Draft Shrimp Task Force Legislation, Jeff Mayne, LDWF
- X. Review of Shrimp Certification Contract
- XI. Update on Sustainability Program, Ewell Smith, LSMP
- XII. Update on Shrimp Quality Assurance Program, Randy Pausina, LDWF
- XIII. Agency Updates
- XIV. Set Next Meeting Date
- XV. Public Comment
- XVI. Adjourn Meeting

## MINUTES OF THE MEETING

### OF

## THE LOUISIANA SHRIMP TASK FORCE

Tuesday, March 23, 2010, 1:30 PM

Randy Pausina, Louisiana Department of Wildlife & Fisheries, presiding.

Randy Pausina called the meeting to order and then called roll.

#### Present:

Dr. Mike Strain – Louisiana Department of Agriculture and Forestry

Jody Montelaro - Louisiana Governor's Office

David Helveston sitting in for Cathy Breau – Louisiana Workforce Commission

Stacie Deblieux – Louisiana Attorney General's Office

Amy Courtney sitting in for David Guilbeau – Louisiana Department of Health and Hospitals

Danny Babin – Representative of Shrimp Processor Advisory Panel

Clint Guidry – Representative of Shrimp Harvester Advisory Panel

Ewell Smith – LA Seafood Promotion and Marketing Board

Mark Schexnayder – Louisiana Sea Grant

Kris Van Orsdel, Dr. John Finley, and Kelsey Short were absent.

Mr. Pausina called for approval of the minutes from the previous (January 27, 2010) meeting.

**Clint Guidry moved to approve the minutes from the previous meeting. Motion seconded by Dr. Mike Strain. Motion carried unanimously.**

Mr. Pausina welcomed a call in from Senator David Vitter's Washington D.C. office.

Sen. Vitter's office mentioned that they have been working on legislation pertinent to the Louisiana shrimp industry and they have been seeking the support of co-sponsors to the bills which will be brought forth. He said they will stay on the line to listen in on the meeting and would be glad to answer any questions.

Mr. Pausina delayed action on agenda item #5, remarks from Wes Kungel, since he was not present at the time.

Mr. Pausina welcomed Dr. Lucinda Lampila, associate professor of seafood technology with LSU AgCenter and SeaGrant, to give a presentation on tripolyphosphates.

Dr. Lampila's presentation outlined general information about phosphates, allowable levels, permitted phosphates, applications in seafood products, functions of phosphates in muscle food products, uses in shrimp production, and notes on its overuse.

Charlie Smith asked Dr. Lampila if the use of tripolyphosphates in shrimp production is bad.

Dr. Lampila responded that when used properly, tripolyphosphate maintains higher moisture content in shrimp and yields a more succulent product than untreated shrimp.

Danny Babin mentioned that there was extensive research done by Dr. John Otwell with the University of Florida on the use of tripolyphosphate in shrimp and it was shown that nearly 100% of the time in blind testing consumers preferred the taste of properly treated shrimp over untreated shrimp.

Wes Kungel, representing Senator Landrieu's Office, presented a document to the Task Force on the various food programs, the authorities found within, and responses.

Mr. Pausina then invited a presentation by Matt Freeman, economist with LSU AgCenter and SeaGrant.

Mr. Freeman presented an overview of fishing cooperatives. He mentioned the benefits and drawbacks of cooperatives in fisheries, characteristics of cooperatives, and several examples of successful cooperatives in the U.S.

Mr. Pausina asked Mr. Guidry to update the Task Force on the actions from the Shrimp Harvester Advisory Panel meeting which took place earlier in the day.

Mr. Guidry reported that the harvesters adopted a motion to amend the draft of the Shrimp Task Force Creation Bill Section 494, paragraph B.5, to add an additional seat for a 4<sup>th</sup> fisherman, which would make 4 fishermen, 3 processors, and 1 dock representative voting members.

Jody Montelaro suggested that the harvesters should first consult with the author, Rep. Joe Harrison, to determine if he is willing to modify his bill.

Mr. Babin also recommended that the harvesters consult with Rep. Harrison since the Task Force does not have the power to bring forth a bill to the legislature. He added that as a processor he would never agree to support such action (modify the draft bill).

**Mr. Guidry moved to amend draft Shrimp Task Force Bill. Motion seconded by Mark Schexnayder. No action taken by the Task Force on this motion.**

After further discussion about the appropriate way in which to provide suggestions on the draft bill a substitute motion was proposed. **Substitute motion was made by Mr. Babin to delay any action on the draft Task Force bill until the next meeting, to provide opportunity for the harvesters to speak to the bill's author about any changes. Motion was seconded by Ewell Smith. Motion carried unanimously.**

Mr. Guidry continued reviewing motions from the Shrimp Harvester Advisory Panel. The next motion requested addition of a seat for the Attorney General's office in the draft Task Force bill.

Mr. Montelaro also recommended that the harvesters talk to Rep. Harrison on the motion.

**Mr. Guidry moved that the Department of Wildlife and Fisheries draft legislation for a two year moratorium on the sale of commercial shrimp gear licenses using the previous crab moratorium bill as a guide. Motion seconded by Mr. Schexnayder. Motion carried unanimously.**

Mr. Guidry said that in the discussion the harvesters had on the moratorium, they determined that it would give them more time to move into a formal limited entry program.

**Mr. Guidry moved to request LDWF to revise the inside/outside shrimp line. Seconded by Stacie Deblieux. Motion carried unanimously.**

Mr. Guidry stated that the harvesters want to reinstate provisions in Act 904 which established a \$15 shrimp trade fee required to be paid by any commercial fisherman who purchases a trawl, skimmer, or butterfly gear license for deposit into the Shrimp Trade Petition Account and would be used for marketing, promotion, and attorney fees for shrimp anti-dumping. They tried to do this

for several years in a row, but was always unsuccessful. He said the harvesters are interested in reintroducing the bill which would hurt the funds controlled by the potentially newly created Shrimp Task Force.

Dr. Strain recommended that it may be best to submit this fee increase as a separate bill in order to not jeopardize the current bill, since fee increases would require a 2/3<sup>rd</sup>'s majority vote to pass.

Lt. Col. Jeff Mayne mentioned that in past legislative sessions if it was an industry sponsored fee and if the industry approved of it then the fee increase would usually pass. He also said that each author still has a maximum of 5 bills eligible to file late and suggested that a separate fee bill be run rather than attaching the increase to the previously mentioned bills. He also commented that relative to the moratorium, holding a shrimp gear license in certain license years should be selected as a basis of eligibility in an attempt to avoid a flood of newly purchased licenses similar to what occurred following passage of a temporary crab trap gear license moratorium supported by the Crab Task Force.

Martin Bourgeois clarified discussion and stated that currently a onetime fee of \$10 is required to be paid by any resident commercial fisherman who purchases a trawl, skimmer, or butterfly gear license for deposit into the Shrimp Marketing and Promotion Account which generated approximately \$70,000 last year. He said the current proposal by Mr. Guidry is assess an additional \$15 in addition to the shrimp gear fee.

Mr. Babin asked where the money would be spent.

Mr. Guidry said the money goes to the shrimp trade petition fund to be used for the promotion and protection of the shrimp industry as approved by the newly created Shrimp Task Force. He said he has legal opinions that allows his organization to pay legal fees associated with anti-dumping and could be used for any organization's legal fees.

Mr. Babin said he does not agree with the interpretation of paying legal fees and paying retroactive legal fees. Mr. Babin said instead of taxing yourself why wouldn't you just pay your legal fees from your organization, rather than making shrimpers pay the fees.

Mr. Guidry said that he has an Attorney General opinion that states that past legal fees could be paid with money from this account.

Mr. Babin said didn't believe that such opinion was valid and that he could easily provide documented opinions that would counter his claims.

Ms. Deblieux told Mr. Guidry that the AG's opinion he has is from years ago and may no longer be valid.

John Roussel and Mr. Pausina mentioned that LDWF had once paid retroactive legal fees, but was only able to do so by having funding appropriated by the legislature towards the paying of such fees.

A.J. Fabre commented that the legislature wouldn't back up the shrimpers on the anti-dumping petition and said that the shrimpers are willing to pay the \$15 increase. He said the shrimpers are willing to pay their own way to fight for the industry if they must as they have done in the past. He said money left over goes to the board or ever the processors if they need it. He said down the road we will need more lawyers with the kind of attack that is going on today.

**Mr. Guidry moved to reinstate an additional shrimp gear license fee of \$15 to create a legal defense fund for the shrimp industry. Seconded by Dr. Strain. Motion carried unanimously.**

Mr. Pausina asked Lt. Col. Mayne to review the draft Shrimp Task Force legislation.

Lt. Col. Mayne asked that if the Task Force is requesting LDWF to participate in drafting the moratorium, he needs to be presented a specific date to include. He stated that the legislation that would create a new Shrimp Task Force includes a designee for the governor, LDWF secretary appoints a biologist, enforcement officer, and an economist, the secretary of LDHH appoints a designee. He mentioned another piece of legislation, HB 890 proposed by Rep. Harrison, sets up the Louisiana wild seafood certification program. He explained that it is a broad piece of legislation that gives the secretary the authority to adopt standards relative to harvest requirements, post harvest refrigeration, quality assurance, handling practices, traceability, branding, branding registrations, reporting requirements, compliance, and packaging standards. This legislation would also give the secretary the authority to develop certification protocols, programs, and establish regulatory authority in cooperation with the Louisiana Department of Agriculture and Forestry, LDHH, LSU, and other state or federal agencies. He said this program would originally start with shrimp, but all Louisiana wild caught seafood could later be included at a later time due to the broad language of the bill.

Mr. Pausina presented Task Force members with a draft shrimp certification program contract that LDWF developed with LSU Food Sciences and Louisiana SeaGrant. He said the blessing of the Task Force will allow him to get the contract moving.

**A motion was made by Mr. Guidry to accept the certified shrimp program contract with LSU. Motion seconded by Ms. Deblieux. Motion carried unanimously.**

Mr. Pausina asked Mr. Smith to give the Task Force an update on the Sustainability Program.

Mr. Smith said that a large growing issue is the sustainability of our fisheries and farm crops across the country. He said the sustainability effort is very strong on the West Coast and will start growing here on the Gulf Coast. He mentioned that there is a sustainability group that has formed called the Marine Stewardship Council (MSC). Within the next year or so Wal-Mart will require their wild harvested products to be MSC certified and any farm raised products that they buy will have to be Aquaculture Stewardship Council certified. He added that Wal-Mart stated that producers won't be able to sell to Wal-Mart unless certified. He stated that the Louisiana Seafood Promotion and Marketing Board has asked an expert to come down to talk to members of the industry, chefs, retailers, and suppliers. Members from the industry have reached the consensus that it would be best to be able to certify product without using the MSC certification. He said he's been in discussions with Oregon whom is just starting to seek MSC certification and also with Alaska whom has decided to certify products without using MSC certification due to high costs and challenges associated with this certification. He said there is an opportunity to develop a state certification program to determine the sustainability of our fisheries, we would be able to develop a system for certifying sustainable products on our own. He finished in saying, this is a huge issue for our industry and this Task Force could play a key role in making this happen.

Dr. Carrie Castille, LDAF updated the Task Force on the Trade Adjustment Assistance (TAA) program. She said the USDA is currently accepting petitions for participation in the TAA program and its time to begin drafting a petition that has to be filed from one entity that will represent the LA shrimp industry. She noted that the final date to file a petition is set for April 14<sup>th</sup>. The state is collectively working with LA Workforce Commission, USDA Farm Services Commission, as well as LSU AgCenter. She believes that shrimp should qualify, but won't know for sure until a response is received on the petition from USDA. She said there are several levels of funding that may become available with this program.

Mr. Smith mentioned that the LSPMB has a brand new bill board located on I-10 West bound from the state capital building. He also said that the updated website, [www.louisianaseafood.com](http://www.louisianaseafood.com) is now available, which will link seafood suppliers with buyers and provide a mechanism for developing good relationships between the two. He said the more engaged individuals become with the site the better rating they will receive as buyer or supplier, respectfully.

Mr. Babin mentioned that after a rocky start, the group has been working together better, but today a statement was made by Mr. Fabre. He asked that Mr. Fabre clarify the statement, which he said once again shows the continuous threat of a lawsuit that the harvesters have made against the processors.

Mr. Guidry commented that he doesn't see that the issue is a duty of the Task Force.

Mr. Babin said the comment was made publicly and it would be common courtesy for Mr. Fabre to present a response publically. He said he has been given authorization from the Shrimp Processors Advisory Panel to respectfully withdraw from the Task Force if the shrimpers continue to constantly threaten a lawsuit.

Mr. Fabre and Mr. Guidry declined to comment on the issue.

Mr. Babin said that as a processors group they have officially withdrawn from the Task Force. He thanked the Task Force for all the hard work and consideration.

Andy Gibson, a Dulac shrimp processor stated that he thought the groups could work together which was evident at recent meeting in Grand Isle that went well. He said as processors representing 4% of the U.S. shrimp industry, they are tired of being slammed and blamed at every meeting for everything that is wrong with the industry. He said this was supposed to move the industry forward, but he is no longer driving such a long distance to be treated in such a way.

Mr. Guidry stated that it was not a slam and he doesn't want to create this situation which started when the harvesters requested 4 seats of representation on the potential new Shrimp Task Force.

Mr. Pausina moved on to discussion on setting the next meeting. He decided that with the legislative session starting next Monday the next meeting date will be determined at a later time.

Mr. Pausina called for public comments.

Ronnie Anderson said the harvesters just wanted it fair, a four to four vote which would force the group to compromise among each other. In the hand-outs he provided to the Task Force he made reference to an abstract on lead content that LSU found while doing research on the certification program. He said it was found that Louisiana shrimp does not contain lead and he suggests that this could be used as a good selling point since foreign shrimp contained a maximum of 1400 ppm lead according to the abstract.

**Motion to adjourn made by Ms. Deblieux. Motion seconded by Mr. Schexnayder.  
Motion carried unanimously.**

Meeting adjourned.